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UNPARALLELED GROWTH NATIONAL BANKS SHOWN

Comptroller Williams Points Out Unprecedented
Development of Financial Institutions--

Reserves Nearly Billion Greater
Than Ever Before.

(By Associated Press.)
Washington, Jan. 10.—Development and growth never paralleled in the financial history of any country, is the way John Skelton Williams, comptroller of the currency, describes in his annual report to congress, the operation of the national banks under his charge, during the period from October 1914 to November 1915, the first year under the federal reserve system. The report was today presented to congress.

Mr. Williams gives a comparative statement of the condition of the national banks to back up his statement. He shows that net resources of the banks increased in the year \$1,743,878,048, that deposits increased \$2,081,530,164 and that loans and discounts increased \$917,450,502. Available cash increased in the same period \$862,000,000 and on November 10, 1915, the reporting national banks had excess reserves of \$891,000,000. Tables show the comparative condition of banks in 1895 and 1915. In September 1895 there were 3,712 reporting banks with net deposits of \$1,059,300,000 and loans and discounts of \$2,059,408,402 while in November 1915 there were 7,617 reporting banks with net deposits of \$9,079,417,447, loans and discounts of \$7,233,928,973.

"The reserves held by the national banks November 10, 1915," says the report, "exceeded by \$857,000,000 the greatest reserves ever held at any time prior to the passage of the federal reserve act. Loans and discounts amounted to more than the total loans and discounts of all banks, including national, state, savings and private banks and loans and discounts of companies—as late as the year 1907."

Mr. Williams says that the "banking power" of the United States—the capital and surplus, circulation deposits, etc.—of all reporting banks, national and otherwise with an estimate of the figures for non-reporting banks, amounted in June 1915, to \$24,337,100,000, an increase in a year of about \$1,057,100,000. Savings bank deposits increased by 176,256 during the year ending last June with total deposits of \$4,997,706,013 an increase of \$61,144,163. The average deposit however decreased from \$444.36 to \$442.83 while the number of banks increased from 2,100 to 2,159.

The comptroller's principal recommendation for legislation is for an amendment to the bank law authorizing and directing the department of justice to bring suits against users upon information furnished either by the comptroller or through other sources.

Recommendations given under a heading "to preserve bank failures" propose: To prohibit officers from borrowing from their own banks; to prevent loans to directors except with the approval of the board; to require officers and employees to give surety bonds; to limit direct and indirect loans to one individual, firm or corporation; to prevent or limit transfers; to require certificates of deposit to be signed by two directors; to prevent encumbrances on the books of a bank; to limit interest paid on deposits; to authorize the establishment of branches in the United States; to permit branches in Alaska and insular possessions; to authorize minimum interest charges, which ordinarily might be unwise on small loans and to authorize the comptroller to

bring proceedings against directors for losses sustained by a bank through violation of the bank act.

The report renews the comptroller's recommendations of last year for other legislation, including the giving of authority to the comptroller to remove directors guilty of persistent violations of the bank act.

"Banks," says Mr. Williams "nearly always are broken, not by bank robbers, who have come from the outside, not by failure of customers to whom they have lent money, but by the tying up of dissipation of the bank's funds through loans to their own officers and directors, or else by direct defalcations and embezzlements by trusted officers. If these evils are remedied—and they can be remedied in a simple and much needed amendment can be secured to the national bank act—failures among national banks can be reduced to a negligible number, or be absolutely eliminated."

Fourteen Failures

Mr. Williams shows that there were 14 failures during the 12 months ended October 31. In the last 50 years, he says, there were 208 failures attributable to criminal acts while in judicious or careless banking was responsible for 136 others.

The comptroller devotes much space to presenting his side of his fight with national banks to prevent the charging of usurious interest rates. He gives tables of loans by banks in different sections to back up his charge and says that complaints have come to this practice particularly direct against small banks in the south and southwest, west and northwest.

For Benefit of All

"It is time," says the report, "for all banks of this country to realize that the federal reserve act was framed to benefit not only the banks, but also the customers of the banks; that one of the great objects of the law was to decentralize the money of the country; to effect a more equitable distribution of capital and to do away with the old system by which the resources of our banks have been so greatly concentrated in a few cities or sections, there to be loaned out largely on speculative ventures, while in other regions money needed so urgently for the legitimate purpose of industry and of development has been scarce and often times obtainable only at all, at rates injurious to the community."

Mr. Williams says that usury unchecked means "depopulation, hopelessness, thriftlessness and resulting loss of producing capacity." He closes with the statement that intimate connection with the affairs of his office has shown that the large majority of American bankers are honest and anxious to obey the laws, patriotic and intent on building up their communities and the country.

Speaking of the federal reserve system Mr. Williams says the withdrawal of reserve funds from banks in the large cities and their transfer to reserve banks has not caused the predicted "convulsion from which the whole country would suffer." "The business and commerce of the United States," he points out in this connection, "have not contracted. They have expanded to dimensions never before reached."

The report adds that if the reserve act is amended so that all reserves ultimately to be transferred to reserve banks be withdrawn now instead of at the end of three years as the law now provides, there will be no disturbance or inconvenience to the national banks, which hold the funds to be transferred.

KITCHIN HEADS VACCINATING CHILD LABOR FORCES BECOMING GENERAL

(By Associated Press.)
Washington, Jan. 10.—Child labor in southern cotton mills was defended today before the house labor committee by a delegation from the south headed by former Governor W. W. Kitchin.

David Clark, editor of the Southern Textile Review of Charlotte, also was again with the committee. He was in consideration of the Keating-Owens bill, which would prevent interstate shipment of goods made by child labor.

Mr. Kitchin attacked the bill as unconstitutional, unnecessary and injurious economically.

JAILED AT ASHEVILLE

Asheville, Jan. 10.—Frank Foster, charged with shooting George Hayes, in Polk county, about two weeks ago, was brought to Asheville and lodged in jail for safe-keeping. Polk officials not deeming their jail sufficiently safe, Foster is alleged to have stopped Hayes while the latter was walking with two girls, invited him to step aside and be killed, and to have shot him with a shotgun at such close range that part of the head entered the wound. The case caused a decided sensation and as the sentiment has not died away altogether it was deemed best to bring Foster to Asheville until the time set for his trial.

SOCIAL SERVICE CONFERENCE PROGRAM

The fourth annual convention of the North Carolina Conference for Social Service will be held in Charlotte, January 23 to 26, 1916. This is going to be a largely attended and a very profitable convention. Among the subjects to be discussed will be the church and social service; the teachings of Jesus as they bear upon the solution of modern social problems; Christianity and social progress; the school and the social welfare, with numerous sub-divisions of this subject; current examples of social progress in North Carolina with several such examples to be discussed in detail by different speakers; the state, the county and the municipality and the social welfare with various sub-divisions of this subject; organizing society and state for the welfare of the child, with speakers on this subject from the various standpoints of the church, Sunday school, woman's clubs, fraternal orders, chambers of commerce, young people's societies, Y. M. C. A. and Y. W. C. A.; organized womanhood and the social welfare, with several items for definite discussion under this heading; needed reforms and miscellaneous subjects of the social welfare, such as public amusement, public health, constructive charity, etc.

Among the speakers will be Dr. William L. Poteat, president of Wake Forest College, Dr. Walter L. Lingle, of the Union Theological Seminary; Dr. J. Y. Joyner, superintendent of public instruction; Dr. Clarence Poe, Dr. E. K. Graham, president of the University of North Carolina; Gov. Locke Craig, Bishop Thomas C. Darst, Mr. W. H. Swift of Greensboro, Miss Julia L. Lingle, director of the children's bureau of the department of labor of the United States, Washington, D. C.; Mrs. Thomas W. Lingle, president of North Carolina Federation of Women's Clubs; Miss Ella P. Crandall, executive secretary of the National Organization for Public Health Nursing, New York; Dr. W. S. Rankin, secretary of the state board of health; Dr. J. I. Foust, president of the State Normal and Industrial College, Greensboro; Dr. L. B. McBrayer, superintendent of the state sanatorium; Dr. Charles W. Byrd, Greensboro; Heriot Clark, Charlotte; Mr. A. W. McAllister, president of the conference; Dr. Melton Clark of Greensboro, and a number of other speakers of ability and reputation.

The central idea of this convention is going to be the welfare of the child, and the purpose of the convention will be to set forth certain propaganda and a definite program on this subject and to provide means whereby such propaganda can go out to all institutions and organizations throughout the state that can contribute anything to the welfare of childhood and to secure adoption of them of such a program. This convention will mark an epoch in the progress of the welfare of childhood in North Carolina. The value of this convention is going to depend largely upon whether or not the representative earnest thinking people of the state attend its sessions. It will be an education in community service. Charlotte is making elaborate preparations for the convention. It promises to be the largest and best convention that the conference has ever held. All who are interested in community progress are invited.

FUNERAL OF MR. KNAPP

(By Associated Press.)
St. Louis, Jan. 10.—The funeral of Charles W. Knapp, a director of the Associated Press, was held here this afternoon at a private undertaking parlor.

Former associates of Mr. Knapp on the St. Louis Republic and a large number of business men attended the funeral.

PLACED ON TRIAL

(By Associated Press.)
Providence, R. I., Jan. 10.—Mrs. Elizabeth Mohr, accused of having instigated three negroes to murder her husband, was placed on trial in the superior court today.

SEVEN MORE ASSERT NO WARNING GIVEN

(By Associated Press.)
Washington, Jan. 10.—The American consul at Malta today advised the state department that no new facts concerning the destruction of the steamship Persia were obtained in affidavits he had taken from seven survivors who had landed there. The survivors were unanimous in saying that the officers were on the watch for submarines and that no warning was given.

JUNIORS TO HOLD RECEPTION TONIGHT

Hickory Juniors will enjoy a social hour tonight and a good time is promised all members. From 7:30 until 10 o'clock, the members will be busy and during the evening a reception will be held, when refreshments of various kinds will be served. The new officers will preside for the first time tonight. Every Junior is urged to be present.

GERMANS TAKE LIQUOR TRAFFIC POSITION IN FRANCE

(By Associated Press.)
Berlin, by wireless to Sayville, L. I., Jan. 10.—An offensive movement has been inaugurated by the German forces in the Champagne. Announcement was made by the war office today that French positions extending over 700 yards at a point northwest of Massiges had been captured by the Germans.

DENIED IN PARIS

(By Associated Press.)
Paris, Jan. 10.—Heavy attacks were made yesterday by German troops in the Champagne, the war office announced today.

The German attack broke down and although they gained temporary footholds in various trenches they were subsequently driven out of all but two first trenches.

TURKS RUNNING SAY BRITISH OFFICIALS

(By Associated Press.)
London, Jan. 10.—The Turks in Mesopotamia were in full retreat on January 9 with the British pursuing them, it was announced in the house of commons today by the secretary for India.

MARKETS

NEW YORK STOCKS

(By Associated Press.)
New York, Jan. 10.—Nominal gains and losses attended the resumption of trading today, leading shares showing few noteworthy changes from last week's closing quotations. United States Steel opened at the smallest fractional gain, but soon fell back and reactionary tendencies were later manifested by other leaders. Steel, American Smelting, Mexican Petroleum, and some of the war issues again showed declines of one to three points.

NEW YORK COTTON

(By Associated Press.)
New York, Jan. 10.—The cotton market opened at an advance of two to ten points today in response to strong cables. Prices turned easier, with the active months off.

COTTON GINNED

(By Associated Press.)
Washington, Jan. 10.—Cotton ginned prior to January 1 was 10,643,783 running bales, including 105,799 round bales and 88,921 bales of seed island, the census bureau announced today. Ginning by states: North Carolina, 696,072; South Carolina, 1,034,059.

CHICAGO WHEAT

(By Associated Press.)
Chicago, Jan. 10.—Higher cable quotations helped give a lift today to the wheat market here. The final abandonment of the attempt to force the Dardanelles seemed to have a bullish effect. Opening prices, which ranged from $\frac{1}{4}$ to $\frac{1}{2}$ higher, with July at 1.18 $\frac{1}{2}$ to $\frac{3}{4}$, were followed by substantial gains and then a moderate sag.

COTTON FUTURES

New York, Jan. 10.—Cotton futures opened steady and closed steady.

| Active months | Open | Close |
|---------------|-------|-------|
| January | 12.46 | 12.35 |
| March | 12.45 | 12.60 |
| May | 12.85 | 12.81 |
| July | 13.02 | 12.96 |
| October | 12.75 | 12.90 |

HICKORY MARKETS

Cotton ----- 12 $\frac{3}{4}$ c
Wheat ----- \$1.40

THE WEATHER

Forecast for North Carolina: Unsettled tonight and Tuesday, probably rain. Warmer tonight, fresh to strong south and southwest winds.

COMPARATIVE WEATHER

| | January 9 | 1916 | 1915 |
|---------|-----------|------|------|
| Maximum | --- | 37 | 51 |
| Minimum | --- | 21 | 29 |
| Mean | --- | 29 | 40 |

Mother (to her small son, who is doing a jig-saw puzzle on the Sabbath)—Bobby, are you sure that's a Sunday puzzle you are doing?

Bobby—Well, you see. I can't tell until I've done it.—Punch.

CONFLICTING REPORTS FEATURE DAY'S EVENTS

Assertions from Capitals of Belligerents Contradictory--Turks Make Their Usual Claims--

London Says Turks on Tigris Are in Flight--French and Germans Differ.

Conflicting reports from various sources featured today's war news. Constantinople reported the destruction of a transport carrying allied troops from the Dardanelles, the complete surrounding of the British forces at Kut-el-Amara and the defeat of a relief army that was marching to their rescue.

Berlin claimed the capture of Frenches trenches in the Champagne but Paris declared that the attack was broken down and that only two trenches were held now.

It was stated in the house of commons today that the British were pursuing the Turks in Mesopotamia. Here the Turkish report had the British force surrounded.

The remaining positions held by the allies on the Gallipoli peninsula have now been abandoned with the sounding of only one man among the British and French, according to a British official statement issued last night.

This news has been expected for several days by the keener observers of the near eastern campaign for the retirement of the troops from Anzac and Suvla Bay three weeks ago left no strategic advantage to the retention of the tip of the peninsula.

Nevertheless, the news will be received with a pang of regret by the people of the British Isles, as well as the colonies.

Renewed activity of various kinds noted by the Turkish official communications in the past few days has presumably been in the nature of preparations for the final act of the Dardanelles tragedy. Last night's

Turkish official statement, covering the period from Thursday to Saturday, records increasing effectiveness of the reinforced Turkish batteries, which have been drawing in and concentrating on the allies' remaining positions.

Big Battleship.
Another pang to the British public will be caused by the announcement of the loss of the battleship King Edward VII which has been blown up by a mine. The brief official statement on this subject does not reveal the scene of the action and merely says that the disaster occurred in a heavy sea, despite which the entire crew was saved before the ship went down.

The King Edward VII represented an investment of nearly 1,600,000 pounds and was one of the finest of the last class of pre-dreadnaughts, corresponding in general to the American ships of the New Jersey and Nebraska type, and was only slightly older than the Natal, which was sunk by an internal explosion about a week ago.

On the west and east fronts there have been no developments of large importance over the week-end. The German communication announces that the Germans have completed the recapture of positions against the Russian Weilerkopf taken by the French a few days before Christmas.

Greek correspondents continue to assert that the Bulgarians and Germans are hastening plans for an attack on Saloniki but the Austrians are fighting hard against the Russians and Montenegro and the Bulgarians are largely occupied in a resolute attempt to reach the Adriatic, from which they are only 40 miles distant, at Elbasan, Albania.

BRITISH FORCES PRESIDENT MAY SURROUNDED BY TURKS CARRY CASE TO PEOPLE

(By Associated Press.)
Berlin, by wireless to Sayville, L. I., Jan. 10.—The British army at Kut-el-Amara in Mesopotamia has been surrounded completely by the Turks, according to Constantinople advices given out today by the Versus News Agency. It is said the Turks have advanced to the main defenses of the British.

SHRINERS BANQUET IN NEW ELLIOTT BUILDING

The Elliott building on Ninth avenue, recently completed for the use of the Chero-Cola Company, will be used for the first time next Thursday night, but not for the exact purpose for which it was designed. The Shriners will have their banquet in this building, which is being fitted up for that special occasion, and the 35 members of the order and their lady friends are counting on a great time. Mrs. R. A. Grimes will serve the banquet.

(By Associated Press.)
Washington, Jan. 10.—President Wilson possibly will put the question of national defense before the country in a series of speeches in order to get the necessary legislation through congress. The president received invitations from Baltimore and New York and it is said other invitations are on the way.

SHERIFF CAUGHT NEGRO, CHIEF LOCATED HAM

Sheriff Isenhour telephoned to Chief of Police Lentz today that a negro had been arrested and jailed at Ne-ton on the charge of entering the "smokehouse" of Mr. Pres. Herman at Conover and removing some good meat. Chief Lentz recovered a 25-pound ham that had been brought to Hickory and sold for \$2.55, and it was said that the money derived from the sale went for the purchasing of a pair of shoes for the offender's girl.

TRANSPORT SHIP REPORTED SUNK NEW HAVEN MEN TO BE TRIED AGAIN

(By Associated Press.)
Berlin, by wireless to Sayville, L. I., Jan. 10.—The sinking of a transport ship of the allies filled with troops at the time of the withdrawal of the French and British forces from the Gallipoli peninsula is reported from Constantinople in an Overseas News Agency dispatch.

ANOTHER TURKISH REPORT RECEIVED

(By Associated Press.)
Amsterdam, Jan. 10. A British force, which was apparently on the way to reinforce the British at Kut-el-Amara on the Tigris river, lost 3,000 men in an attack of Turkish positions, according to a semi-official statement received here today from Constantinople. The attack is declared to have been repulsed.

Apparatus has been invented for converting gasoline into illuminating gas and storing it for safe use in places where commercial gas supplies are not available.

(By Associated Press.)
New York, Jan. 10.—Five former directors of the New Haven, New York and Hartford railroad today faced a probable new trial on charges of conspiracy to monopolize the railway traffic of New England. Concerning their guilt or innocence of this charge the jury was unable to agree.

Those acquitted were D. Newton Barney, Farmington, Conn.; Robert W. Taft, Providence, R. I.; James S. Hemingway, A. Heaton Robertson and Frederick P. Brewster, New Haven, and Henry K. McHarg, Stamford, Conn.

Those on whom the jury disagreed were William Rockefeller, New York; Charles F. Brooker, Ansonia, Conn.; Charles M. Pratt, Brooklyn; Lewis Cass LeMay, New York, and Edward D. Robbins, New Haven.

The verdict was returned at 4:30 yesterday afternoon after 51 hours of deliberation and the jury was discharged. The final vote on the five defendants upon whom the jurors could not agree stood 8 to 4 for acquittal.

R. L. Batts, chief counsel for the government, announced that in due time he would move for a new trial of these five. This will be done, he said, before any effort will be made to try the six other former directors of the road that were acquitted, but who obtained the right to be tried separately.

SIR PERCY LAKE SUCCEEDS NIXON

(By Associated Press.)
London, Jan. 10.—Sir Percy Lake has been appointed to command the British forces in Mesopotamia in succession to Sir John Nixon, who has been compelled by ill health to return home, it was announced in the house of commons today.